

RECESS IN COTTON INQUIRY

THE GOVERNMENT PROSECUTOR CALLED TO WASHINGTON.

Frank Hayne Says There is No Claim in the Bull Agreement Not to Sell Before Nov. 1 on the New York, New Orleans or Liverpool Exchanges.

The Federal Grand Jury, which has under consideration the bull cotton pool, met for a short session yesterday and adjourned indefinitely. Assistant Attorney Clark McKeeher was called to Washington and said that it might be several days before the investigation was resumed. Several brokers of the New York Cotton Exchange were examined yesterday, among them David H. Miller, who said on Wednesday that he had a copy of the bull pool agreement of February 25, which the Government believes is in violation of trade.

The published interview with Mr. Miller showed a great deal of comment among cotton exchange members. The phrase which set them thinking hardest was this: "I wonder what the members of the exchange would think of an agreement which binds spinners not to sell any cotton on the New York, New Orleans or Liverpool cotton exchanges before November 1, 1910." This was taken to mean that the agreement of which Mr. Miller said he had a copy so stated. Frank P. Hayne, named in the Government subpoena as one of the managers of the bull pool, had this to say in reply last night.

"I will say this: Mr. Miller claims he is in possession of an agreement which binds the spinners not to sell any cotton on the New York, New Orleans or Liverpool cotton exchanges before November 1, 1910. I state to the public that neither I nor any of my friends know of any such agreement, that we will be willing to swear, wherever called upon to do so, that such is not the case."

Mr. Hayne said further:

"I recall that a conference of what the newspapers call the powerful spot interest was held yesterday afternoon and called by Mr. David H. Miller presided and was attended by several of the members of the exchange and the powerful spot interest. He has given an article to the press this morning in which, speaking for himself and the powerful spot interest, he practically states that he considers the action of the Government in bringing a criminal action against Mr. W. P. Brown and myself is quite proper and correct. Now, I think it only right that the public should know who these so-called influential spot interest are. They are the firms who are supposed to be short of May contracts and who by a strange coincidence, immediately after the exchange was closed, have been subpoenaed by the Federal Grand Jury. Therefore, I think the American public should try to form their own opinion about this matter and not be influenced by the opinion of those who, although they vigorously deny having had any hand in the bringing on of this prosecution, would most certainly be most benefited by the results of the same if any decision of the Government could relieve them from the responsibility of carrying out the contracts they have made on the New York exchange."

"Now, one of the statements made by Mr. David H. Miller is that cotton shipped from Liverpool was bought in that market at a price that will allow it to tender on May contracts here without loss. I claim that no cotton merchant in Liverpool or any other cotton market in America who does business with the Liverpool market will sell with Mr. Miller in this statement. However, this is a matter which concerns Mr. Miller's friends at yesterday's conference and it is a matter of no more interest to myself or the public in general than would be the question of whether the cotton shipped from the market during October and March by myself and others showed a profit or loss."

"Mr. Miller says, 'Why don't the members of the so-called bull clique show the world they have no improper agreements or publish all those actually made?' This is certainly a most extraordinary request. I deny that I have made any improper agreement with anyone in the world, but I acknowledge I have sold some of the cotton, that it is my intention to receive on May contracts to Southern, Eastern and Western buyers. I am not acting fairly with them to mention either the quantity or the price. I have not the slightest doubt but that Mr. Miller and his friends are trying to have this information, and doubtless also they would like the so-called bull clique to state the exact number of bales of cotton delivered in May and July and they have bought in that market."

Here Mr. Hayne inserted his denial of the existence of the agreement quoted above and continued:

"An honorable man, so are they all honorable men, and I therefore deeply regret that these fellow members of the New York Cotton Exchange should be the subject of the matter. Personally I feel convinced that if those who have sold cotton for delivery in May and July are able to deliver on their contracts with the aid of the United States Government, it will mean the end has come for bulls and bears alike, and we will have to seek other vocations in life."

James A. Patton, who after spending two days in looking over the local situation and in waiting in vain for a subpoena to appear in Chicago to testify, declared that he was not a party to the pool agreement or to any agreement whatever with Hayne, Brown and Scates. He added:

"It seems to me foolish for any one to use the name of the Chicago Cotton Exchange in New York when cotton options are cheaper here than the cotton is in the South or in Liverpool."

As to the criminal proceedings against the alleged pool, Mr. Patton said that he didn't exactly know, but had his suspicions. He characterized David H. Miller as an "instrument of McFadden," and said:

"The report that Government proceedings were to begin was heard on the cotton exchange all right. I haven't any knowledge of the proceedings, but as I have said, I have my suspicions. I'd like to know, for instance, why young Dick of Dick Bros. & Co. went to Washington and became a member of Congress or an officer of the Department of Justice."

"I don't believe that a terrible racket was being done in the cotton exchange. I don't believe that a result of trading in the May option will be that it won't be a help. In fact, it is not doing the fighting. When I said yesterday, I started to sell a little cotton a short time ago he had his fingers raised the market and pounding down prices. Of course I've got to protect myself."

The McFadden people have bought cotton in the South at 15 cents a pound, which is higher than the May option. They have paid transportation charges and insurance to bring the cotton on to New York, where they have bought it for 17 cents, where also the price is higher than the May option. They have a loss of from \$4 to \$5 a bale. Mr. McFadden has used his influence with spinners in New England and elsewhere and has induced many of them to curtail production and obtain from purchases in this market."

COTTON CO. SHORT \$3,777,000.

Bankruptcy Figures Show Smash to Be Complete.

BIRMINGHAM, Ala., April 21.—The liabilities of Knight, Tappan & Co., the Decatur firm of cotton buyers, were added up in the bankruptcy court today and found to aggregate \$3,777,000. Frost and Lovell were appointed receivers by Judge Grubb of the Federal Court. The assets are \$300,000 and the secured debts \$411,187.

In a signed statement to-day W. D. Nesbitt, who is interested in the firm, declared that he had no idea but that the firm was prospering. He has not been in active touch with the management of the business for four years. Paragraphs from his statement follow:

"The realization is to me a tremendous shock. I have known many people who have lost heavily by dealing with the firm, of which I was a member, and I am sure that individual property is entirely at stake and resistance subject to the creditors."

"All banks with which the firm has cotton accounts are fully protected by security with such banks and there should be no losses to any of them."

MAURICE MENDHAM OUT.
Resigns From the Stock Exchange—Firm Tired of the Game.

Maurice B. Mendham of the Stock Exchange firm of Mendham Bros. has resigned from the exchange and his seat has been taken by one of the W. T. Hines of Bridgeport at an expressed consideration of \$75,000. An official of the Stock Exchange said yesterday that the resignation was purely voluntary and that the firm of Mendham Bros. is now in the hands of the receiver.

It was said that the firm had intended going out of business for some time as the partners were in poor health and both had tired of the game. The resignation came just at this time, it was explained, because of the dulness of the stock market.

AUDITOR FORMAN'S ABSENCE.
Acquaintances Say They Saw Him in Newark as Late as Monday.

A possible reason for the disappearance of City Auditor George Forman of Newark became known in that city yesterday when it was learned that \$12,500 in bonds and a check indorsed for \$3,878.32 entrusted to him were missing. A special meeting of the Common Council was held at the City Hall yesterday morning and Theodore C. Hewitt, the city expert, was directed to begin an investigation of the accounts kept personally by the auditor.

The appointment of Chief Clerk Andrew K. Brady as acting auditor by Forman was approved.

Nothing has developed as yet to show that the money of the city is involved in the disappearance of Forman. The \$12,500 was entrusted to Forman by David M. Wickham of 258 Garfield street to buy war bonds for the city. The money was drawn on the Chase National Bank of New York, signed and indorsed by Sherman Dicus, counsel for assignees of the contracting firm of Sherman Dicus & Co., who was in Newark Sunday morning and Monday morning was indicated yesterday when several persons claimed that they saw him. John J. Clancy, a clerk in Mayor Hoes's office, said he saw the missing auditor at Market and Broad streets before noon on Sunday. Police Sergeant Antley of police headquarters said he saw him at 7:30 o'clock on Monday morning. Patrick J. McNamara and Doorman Kull were equally as positive as the sergeant that they saw Forman pass through police headquarters.

Antley said that he just finished making entries of members of the department reporting when Forman went through the room with his eyes toward the ground. He said that no one spoke to Forman and the latter made no salute. Nothing was thought of this, as Forman always of late had been in his office by way of police headquarters.

George Britting and George Woodruff, the latter a special policeman, who are employed in the Hall said that they saw Forman Monday morning. Britting said he entered the auditor's room about 7:30 o'clock to do some cleaning and that he bowed to Forman, who returned the bow. He said that he observed Forman coming in the front door of the hall and that they greeted each other with a "Good morning."

Magistrate Finn Left Only \$1,500.
Supreme Court Justice Greenbaum overruled yesterday a demurrer by the Bleeker Street and Fulton Ferry Railroad to the complaint in a suit instituted by Attorney General O'Malley for a forfeiture of the franchise of the railroad on the ground of non-use and abandonment. The demurrer challenged the sufficiency of the complaint and the capacity of the State to sue without permission of the United States district court. The defendant must put in a new answer.

Gold Going Saturday.
The National City Bank has engaged \$2,000,000 gold coin and Heidelberg, Ickelheimer & Co. \$1,000,000 gold coin for shipment to London on the steamship New York, sailing Saturday.

Court Calendars This Day.
Supreme Court—Appellate Division—Motions at 10 A. M. Orders at 10:30 A. M.—Nos. 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

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